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C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000898

SIPDIS

E.O. 12958: DECL: 04/23/2008

TAGS: [PGOV](#) [HR](#) [HRPGOV](#)

SUBJECT: SPLIT: LOCAL POLITICS WITH NATIONAL STAKES

CLASSIFIED BY: POLOFF A.F.GODFREY FOR REASONS 1.5 (B,D)

SUMMARY

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1. (C) SPLIT, CROATIA'S SECOND-LARGEST CITY, SHOULD BE A LOCAL GOVERNMENT SUCCESS STORY. BUT EVEN THOUGH CITY REVENUES ARE UP, DEBTS HAVE BEEN RETIRED AHEAD OF SCHEDULE AND A SERIES OF INFRASTRUCTURE INVESTMENTS ARE PLANNED, SPLIT'S LEADERS ARE A STEP AWAY FROM DISBANDING THE MULTI-PARTY CITY GOVERNMENT. THE PROBLEM IS NATIONAL-LEVEL POLITICAL GAMESMANSHIP MIXED WITH THE DESIRE OF SOME LOCAL POLITICIANS TO GET THEIR SLICES OF THE PATRONAGE PIE. UNLESS A COMPLICATED DEAL IS CUT, THE COALITION GOVERNMENT IN SPLIT COULD FALL, EMBARRASSING NATIONAL-LEVEL LEADERS AS THEY PREPARE FOR ELECTIONS. END SUMMARY.

2. (C) A LOCAL-LEVEL POWER-SHARING DEAL BROKERED IN FEBRUARY 2002 BETWEEN THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE CROATIAN SOCIAL LIBERAL PARTY (HSL) CALLS FOR SPLIT MAYOR SLOBODAN BEROS (SDP) TO STEP DOWN AT THE END OF THE SUMMER AND HAND THE KEYS OF THE CITY TO HSL DEPUTY MAYOR MIROSLAV BULICIC. WHEN THE HSL BROKE APART IN JULY 2002 AT THE NATIONAL LEVEL (AFTER PARTY PRESIDENT DRAZEN BUDISA LEFT THE GOVERNMENT), THE SDP-HSL COALITION IN SPLIT REMAINED IN PLACE. NOW BUDISA IS TRYING TO FORCE THE HSL MEMBERS OF THE CITY GOVERNMENT TO RESIGN AND FORM A NEW GOVERNMENT WITH THE NATIONALIST OPPOSITION HDZ.

3. (C) THE LOCAL HSL IS DIVIDED EVENLY BETWEEN THOSE LOYAL TO THE NATIONAL-LEVEL PARTY AND THOSE WHO WANT TO STAY IN OFFICE WITH THE SDP. BULICIC TOLD US THAT VOTERS ELECTED HSL TOGETHER WITH SDP AND WOULD NEVER FORGIVE THEM IF THEY FORMED A COALITION WITH HDZ. MORE IMPORTANTLY, ASSERTED BULICIC, THE CITY GOVERNMENT HAS BEEN A RESOUNDING SUCCESS:
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THE CITY'S WAR-ERA DEBT HAS BEEN FULLY RETIRED (AHEAD OF SCHEDULE), UNEMPLOYMENT IS DOWN, CITY SERVICES ARE PERFORMING AT TOP LEVELS, CITY TAX REVENUES ARE ABOVE EXPECTATIONS AND THE GOVERNMENT IS PLANNING SEVERAL IMPORTANT NEW INFRASTRUCTURE INVESTMENTS BEGINNING THIS FALL.

4. (C) BULICIC ALSO HAS HIS OWN PERSONAL MOTIVATIONS. TO BECOME MAYOR, HE MUST FIRST STEP DOWN AS DEPUTY MAYOR AND RESUME HIS SEAT ON THE CITY COUNCIL. WHEN HE DOES THIS, HE WILL ALSO HAVE TO STEP DOWN AS HEAD OF SPLIT CITY SANITATION, A WELL-PAYING JOB WITH PLENTY OF PATRONAGE POSITIONS AT HIS DISPOSAL. BULICIC HOPES TO OFFSET THIS LOSS OF LUCRE BY INSISTING THAT THE SDP GIVE HIM THE POSITION OF DIRECTOR OF "PLOVPUT," THE STATE-LEVEL ORGANIZATION RESPONSIBLE FOR MAINTAINING NAVIGATIONAL AIDS IN CROATIA'S INLAND WATERS. (SINCE THIS IS A STATE-LEVEL APPOINTMENT, THERE WOULD BE NO CONFLICT OF INTEREST WITH HIS POSITION AS CITY COUNCILOR.)

5. (C) SDP OFFICIALS ARE EXASPERATED AT BULICIC'S BLATANT INSISTENCE AT BEING COMPENSATED FOR HIS LOSS OF INCOME (CITY COUNCILORS RECEIVE NO SALARY). THEY POINT OUT THAT SINCE THE MAYOR'S JOB IS A FULL-TIME PAID POSITION, BULICIC WOULD HAVE TO RESIGN ONCE HE LEAVES THE COUNCIL TO BECOME MAYOR. BULICIC MAY BRING DOWN THE CITY GOVERNMENT JUST FOR A FEW MONTHS' INCOME AS HEAD OF PLOVPUT. "WHEN IT COMES TO POLITICS IN CROATIA, GOOD PERFORMANCE JUST IS NOT ONE OF THE CRITERIA USED TO DECIDE WHO SERVES," EXPLAINED VELJAN RADOJKOVIC, WHO SERVES AS THE REPRESENTATIVE OF THE NATIONAL-LEVEL GOVERNMENT IN SPLIT-DALMATIA COUNTY.

6. (C) MARIN JURJEVIC, A LEADING SDP MP WHO IS ALSO THE
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CHAIR OF THE SPLIT SDP EXECUTIVE COMMITTEE, ADMITTED THAT BULICIC HAS COALITION PARTIES OVER A BARREL. THE CITY GOVERNMENT HAS DONE A POOR JOB OF BLOWING ITS OWN HORN; AS WITH THE REST OF CROATIA, MOST RESIDENTS ARE DISSATISFIED WITH THEIR GOVERNMENT. WITH ELECTIONS EXPECTED TO TAKE PLACE IN THE FALL, THE LOSS OF CROATIA'S SECOND CITY WOULD BE DIFFICULT TO RECOVER FROM. JURJEVIC TOLD US HE GUARANTEED BULICIC THE MAYOR POSITION, BUT HAS NOT (YET) GIVEN IN ON THE ASSIGNMENT TO PLOVPUT.

COMMENT

17. (C) HSLS PRESIDENT BUDISA IS DESPERATE TO BRING DOWN THE SPLIT GOVERNMENT AND HAS ALREADY SHOWN HE IS READY TO HIT BELOW THE BELT TO ACHIEVE THAT OUTCOME. UNDER HIS LEADERSHIP, HSLS WENT FROM BEING THE SECOND-LARGEST POLITICAL PARTY IN THE COALITION TO THE BRINK OF POLITICAL IRRELEVANCE. HE SEEKS TO SABOTAGE THE COALITION'S ABILITY TO TAKE CREDIT FOR SPLIT'S SUCCESS AND INCREASE THE VALUE OF HIS PARTY IN A POTENTIAL COALITION WITH THE HDZ. THE SDP WANTS TO KEEP SPLIT -- THE ONLY CITY WHERE THEY ARE IN GOVERNMENT IN NATIONALIST-LEANING DALMATIA -- ON THEIR SIDE.

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ACTION EUR-00

INFO	LOG-00	NP-00	AF-00	AID-00	CIAE-00	INL-00	DODE-00
	SRPP-00	DS-00	FBIE-00	VC-00	TEDE-00	INR-00	LAB-01
	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OMB-01	OPIC-01
	PA-00	PM-00	PRS-00	ACE-00	P-00	SCT-00	SP-00
	TRSE-00	USIE-00	PMB-00	DSCC-00	PRM-00	DRL-01	G-00
	NFAT-00	SAS-00	SWCI-00	/005W			

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P 231526Z APR 03
FM AMEMBASSY ZAGREB
TO SECSTATE WASHDC PRIORITY 0010
INFO AMEMBASSY BELGRADE
AMEMBASSY LJUBLJANA
AMEMBASSY SARAJEVO
AMEMBASSY SKOPJE
AMEMBASSY TIRANA
USMISSION USOSCE

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